



# Maine Municipal Association What's Next for Legalized Marijuana in Maine

**Scott T. Lever, Esq.**

Deputy Director

**David Heidrich, Jr.**

Director of Engagement and Community Outreach

Office of Marijuana Policy  
Maine Department of Administrative and Financial Services  
#162 State House Station | Augusta, ME 04330-0162  
Tel: (207) 624-7491 | Fax: (207) 287-2671

# Today's Goals and Objectives

1

Provide update on Office of Marijuana Policy's progress

2

Facilitate an open discussion on what is next for legalized marijuana in the state of Maine

3

Provide information pertinent to municipalities and offer context into how to make informed decisions regarding legalized marijuana

4

Provide a channel of ongoing communication and engagement with municipalities

5

Answer any questions!



# OMP Introduction – Mission and Vision Statements

- **Mission Statement** - To ensure the health and safety of all Mainers by effectively and responsibly licensing and regulating marijuana establishments.
- **Vision Statement** - Develop a good faith partnership between the State of Maine and stakeholders by establishing rules and policies that provide interested consumers with access to a regulated industry while diminishing an unregulated, untested black market.



# OMP Introduction – Guiding Principles

- The public's health, safety, and well-being are always our top priority.
- Develop and institute regulations that are necessary, not over burdensome.
- Compliance every day, enforcement only when needed.
- Strive to be transparent and clearly communicate with the public and stakeholders.
- Treat everyone fairly and with respect.



# OMP Update – Major Milestones



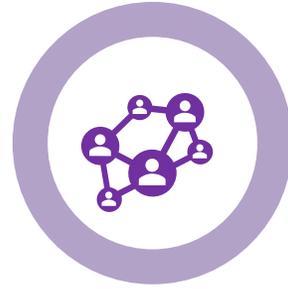
## Staffing

- 15 staff
- Three new leadership hires (Director of Compliance, Licensing, Special Projects)
- Actively recruiting for field and admin staff



## Rules

- Adult Use Marijuana – effective date of LD 719: 9/19/19



## Systems

- BioTrackTHC
- Agency License Management System (ALMS)



## Outreach

- Planning roadshow and surveying municipality interests and needs

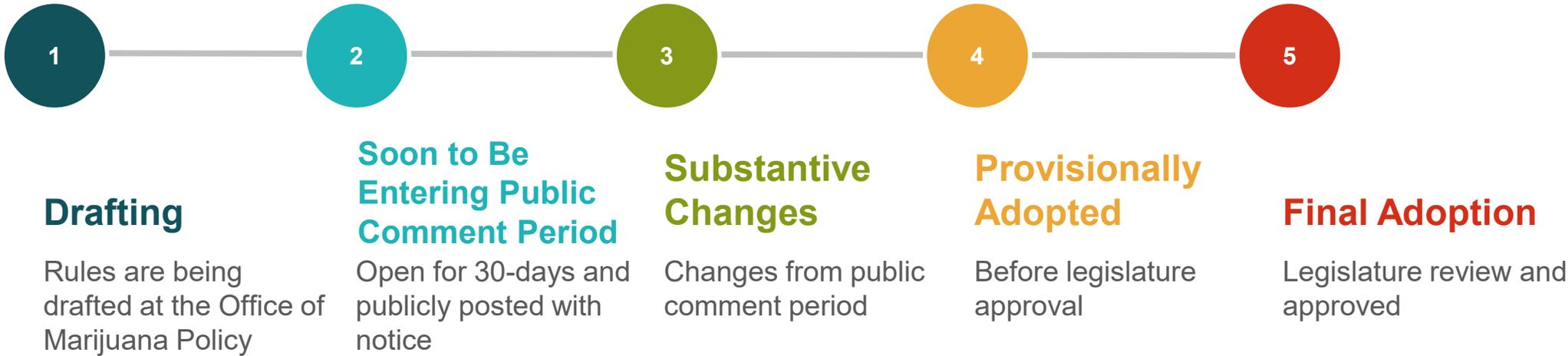


## Admin

- Website under development for application portal
- Director of Licensing ramping up for kick-off



# Rulemaking Update



\* Adult Use and Testing anticipated to be finally adopted in the coming months

# The Role of Municipalities

## Adult Use

- May limit total number of plants on parcel, but must exempt adults (21+) domiciled on property.
- Must affirmatively opt-in for any type of establishment.
  - No grandfathering.
- Must provide local authorization before OMP issues active license.

## Medical Use

- No limits on home cultivation, including cultivation for family member or member of household.
- Must opt-in for establishments other than caregivers.
  - Existing establishments operating with municipal approval prior to December 13, 2018 exempt.
- No role in state registration process.



# Adult Use Tax Structure

- The 128<sup>th</sup> Legislature implemented a hybrid excise tax/sales tax structure for adult-use recreational marijuana.
- Effective rates
  - 21.5 percent excise tax at wholesale.
  - 10 percent sales tax rate at retail.

Taxable Item	Tax Rate
Marijuana flower and mature plants	\$335/pound
Marijuana trim	\$94/pound
Immature plant or seedling	\$1.50/plant or seedling
Marijuana seed	\$0.30/seed



# Estimated Adult Use Tax Collections

Fiscal Year	Total Tax Revenue	General Fund	Public Health and Safety Fund	Local Government Fund
<b>2020*</b>	\$4.4 million	\$3.8 million	\$0.5 million	\$58,080
<b>2021</b>	\$16.8 million	\$14.6 million	\$2 million	\$221,760
<b>2022</b>	\$23.6 million	\$20.5 million	\$2.8 million	\$311,520
<b>2023</b>	\$33.2 million	\$28.8 million	\$4 million	\$438,240



# Local Authorization – What It Means for Municipalities

**A municipality's legislative body must vote to allow a particular type of marijuana establishment.**

**Municipalities have two options:**

- 1. Opt-in (with or without conditions or limits) and notify the Department**
- 2. Wait—Default is the same effect as prohibition**

**AU: Individual local authorization is required for each license application.**

**MM: Municipalities may not prohibit or limit the number of primary caregivers.**



# Municipality Powers

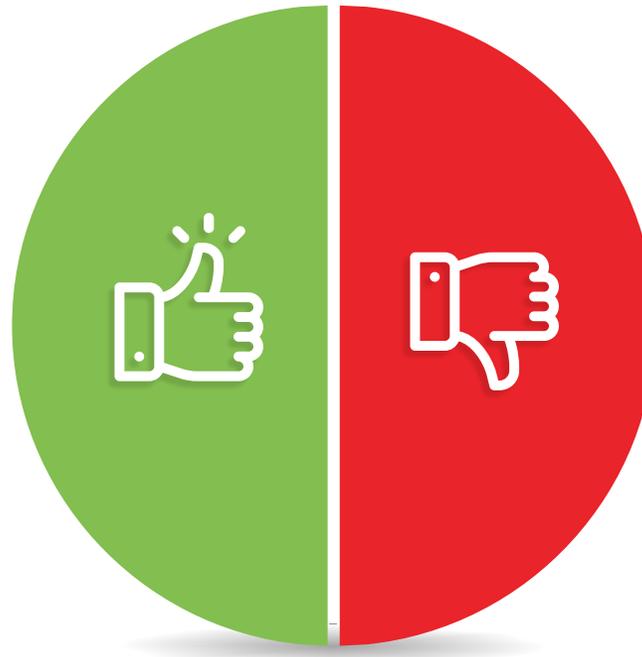
AU: Regulate stores,  
cultivation, testing,  
manufacturing  
facilities



MM: Regulate  
registered caregiver  
stores, registered  
dispensaries,  
manufacturing, testing  
facilities



Limit number of  
plants on one parcel  
for AU home  
cultivation



Regulate or enforce  
personal use



Prohibit or cap  
registered caregivers



Prohibit or cap  
unregistered  
caregivers



Exceed powers  
granted in rules



# Local Regulation Must Be Consistent with Statutes and Rules

## Allowed

Designated zones for establishments

Additional limits on hours

Expand “buffer zone” around schools

## Not allowed

Waiver of restrictions on co-location

Expand hours of operation

Allow establishments within 500 feet of schools



# Good to Know Numbers for Municipalities

2.5 oz

- Usable marijuana

Marijuana Store

5 grams

- Marijuana concentrate
- Edible total THC content

12

- Seedlings or immature plants

Nursery Cultivation

10 mg

- Active THC in standard serving size

Manufacturing Facility

25%

- Size of universal symbol (of product serving proportions)

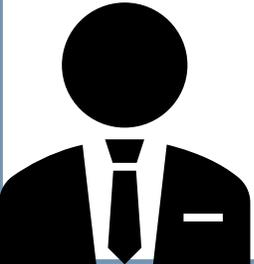
Product Safety

Sales Limits



# Want to start an adult use marijuana business?

Start by visiting;  
[www.maine.gov/dafs/om](http://www.maine.gov/dafs/om)



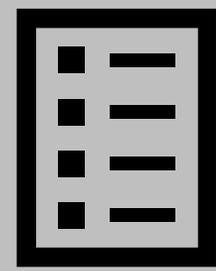
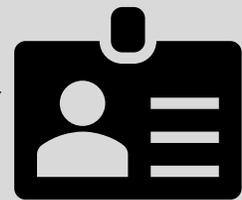
All applicants must first submit to a criminal history records check  
Q: Where do I go to get my finger print taken?  
A: [Finger Print Locations](#)



*Note: If the applicant is a business entity every officer, director, manager and general partner will require a criminal history records check*

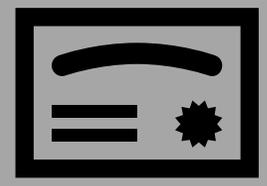
Any employee and each applicant for a license will be required to obtain an Individual Identification Card (IIC)

*Note: If the applicant is a business entity every officer, director, manager and general partner will require the IIC*



**Complete and submit application(s) for a conditional license and pay application fee**

*Tip: Forms completed online will likely be processed faster*



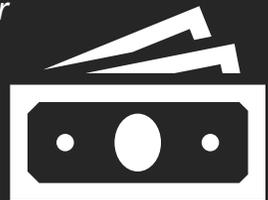
Within 90 days of receiving all application forms, required attachments and criminal history record checks the Department shall either deny the license or issue a non-renewable conditional license valid for one year

**Once payment is received, the Department shall issue an active license that is valid for 1 year**



Upon satisfaction that all requirements have been met, the Department will invoice the applicant for the licensing fee

*Note: fees may only be paid with a bank check or money order*



**Supplemental information for issuance of an active license includes:**

- Evidence of compliance with all electrical and permitting requirements
- Appropriate tax information and documents
- Any changes to original application
- Updated plans on record

The town will send an approved local authorization form directly to the department

Within 10 days of receiving an approved local authorization the department will request supplemental information and updated documents from the applicant



**For a conditional license holder to be eligible for an active license they must seek local authorization**

*Note: towns have 90 days (and an additional 90 days if requested) to respond to a request for local authorization*

# Local Authorization Form

- Still under development
- Approximately one page
- Municipality may include additional conditions for active license
- Required attachment: local ordinance, warrant article, or other local regulation authorizing this type of establishment within the municipality



# OMP Next Steps

- Finalize applications and forms required to process adult use licenses (both online and paper)
- Encourage applicants to begin fingerprinting and background check process once forms are final
- Implement BioTrackTHC to be available for medical registrations by fall
- Host BioTrackTHC training (end of September and October)
- Continue stakeholder engagement
- Rulemaking activity
- Second Regular Session of 129<sup>th</sup> Legislature



# Unknowns

- Will adult-use taxation accomplish objectives?
- What is the saturation point for licenses, employees, and market share?
- How will competition for indoor cultivation space affect the industrial warehouse market?
- How will the State of Maine and Maine businesses respond to such a cash-intensive industry?
- Will marijuana-related money pour into real estate or other investments due to the lack of access to traditional banking? Will SAFE Banking Act pass?
- How will federal regulation of marijuana change in the coming months and years? How would interstate sales affect Maine's industry?



# Recommended Reading

- The Economic Effects of the Marijuana Industry in Colorado, Kansas City Federal Reserve Bank (April 2018)
- Where Pot Entrepreneurs Go When the Banks Just Say No, New York Times (January 2018)
- Marijuana Legalization: What Everyone Needs to Know; Jonathan P. Caulkins, Beau Kilmer, Mark A.R. Kleiman (April 2016)
- Growing A “Cannabiz” in Maine, Mainebiz (February 2017)



# Website, Survey and Contact Information

- **Website** - [www.maine.gov/dafs/omp](http://www.maine.gov/dafs/omp)
- **Survey** - [www.surveygizmo.com/s3/5159381/MaineOMP](http://www.surveygizmo.com/s3/5159381/MaineOMP)
- **Contact Info Handout**

**Scott T. Lever, Esq.**

Deputy Director

**David Heidrich, Jr.**

Director of Engagement and Community Outreach

Office of Marijuana Policy  
Maine Department of Administrative and Financial Services  
#162 State House Station | Augusta, ME 04330-0162  
Tel: (207) 624-7491 | Fax: (207) 287-2671



Questions?